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# Endorsement of the Recommendation of the Council for Research on Overhead Policy & Regulation on Overhead Cost and the Process for Future Revisions Recommended by the Faculty Senate Executive Committee.

University of Rhode Island Faculty Senate

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THE  
UNIVERSITY  
OF RHODE ISLAND



Serial Number #12-13--1

**RESOLUTION**

**TO:** President David Dooley

**FROM:** Peter Larsen, Chairperson of the Faculty Senate

1. The attached RESOLUTION, titled Endorsement of the Recommendation of the Council for Research on Overhead Policy & Regulation on Overhead Cost and the Process for Future Revisions Recommended by the Faculty Senate Executive Committee, is forwarded for your consideration.
2. This RESOLUTION was approved by vote of the Faculty Senate on September 20, 2012.
3. Please indicate whether or not you support this resolution, provide an explanation for your position, and return the original copy, completing the response below.

September 21, 2012

(date)

Peter Larsen  
Chairperson of the Faculty Senate

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RESPONSE TO: Chairperson of the Faculty Senate

FROM: David Dooley, President

Support ☒ Do Not Support ☐ Explanation attached ☐

9.28.12  
(date)

President

**University of Rhode Island  
Council for Research**

**Report on Overhead Policy and Regulations on  
Indirect Cost Recovery at the University of Rhode Island**

September 5, 2012

At the September 5, 2012 meeting of the Council for Research the proposal recommended by the University of Rhode Island Administration to the Rhode Island Board of Governors for Higher Education on August 20, 2012 (see below) was approved with the following amendment:

Consistent with the objectives established by the Board, the University shall have the flexibility to make adjustments, if necessary, in the research overhead allocation over time without formal Board approval. Such adjustments would be made in consultation with Faculty Senate leadership and the Council for Research and with full attention to shared governance.

The Council for Research recommends that the Faculty Senate approve the proposal as amended.

**RESEARCH AND GRANTS -- OVERHEAD POLICY AND REGULATIONS ON  
INDIRECT COST RECOVERY AT THE UNIVERSITY OF RHODE ISLAND**

*Rev. 9/18/12*

**Board of Governors for Higher Education  
State of Rhode Island and Providence Plantations**

Adopted: 1970(BR) 07/02/81 (BG)

Legal Citation:

Amended: 09/07 (BG) 08/07/97 (BG) 06/30/76 (BR)

Effective Date: October 1, 2012

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The policy on indirect cost recovery governs the reimbursements received by the University for costs incurred in the conduct of selected externally funded grants and contracts. The following constitutes the policy regarding use of indirect cost reimbursements received by the University of Rhode Island from selected, externally funded grants.

1. Reimbursements for indirect costs under grants and contracts will be ~~included in the budget in the following fashion: allocated to the following areas. Each area will receive a specific proportion of the total overhead generated.~~
  - a) Sponsored Projects Administration – Administration & Finance
  - b) Sponsored Projects Administration – Research & Economic Development
  - c) Sponsored Projects Operations – Utilities & Insurance
  - d) Colleges/Areas

- e) Provost
- f) Research & Economic Development
- g) President

2. The President shall submit an annual report to the Board on the use of indirect cost recovery funds.
3. Consistent with the objectives established by the Board, the University shall have the flexibility to make adjustments, if necessary, in the research overhead allocation over time without formal Board approval. Such adjustments would be made in consultation with Faculty Senate leadership and the Council for Research and with full attention to shared governance.
4. Other appropriate university entities, including the Council of Deans and the Strategic Budget and Planning Council, would also be consulted.

- ~~1. The full cost of Sponsored Project Administration (SPA) as determined by the President, will be reimbursed annually from the indirect cost recoveries.~~
- ~~2. A minimum of fifteen percent (24.50%) of the remaining indirect cost recovery will be allocated to the general fund of the University.~~
- ~~3. A minimum of ten percent (10%) of the remaining indirect cost recovery will be allocated to the Provost and Partnerships Fund.~~
- ~~4. A minimum of fifty-five percent (55%) of the remaining indirect cost recovery will be allocated to the Dean's Account.~~
- ~~5. A minimum of fifteen percent (15%) of the remaining indirect cost recovery will be allocated to the Division of Research and Economic Development.~~
- ~~6. Five percent (5%) of the remaining indirect cost recovery will be allocated to the areas indicated above at the discretion of the President.~~

## REPORT OF THE FACULTY SENATE EXECUTIVE COMMITTEE September 19, 2012

### Procedure for Revisions to the Distribution of Facilities and Administration Funds

As the Faculty Senate shares responsibility for the formulation of policy concerning teaching and research and promoting and facilitating research activities at the University, the Faculty Senate should have significant role in the development, revision, and assessment of policies and procedures related to the distribution of Facilities & Administration (F&A) funds. As these funds are intended to compensate the University for facilities and administration costs associated with research and scholarship, it is also appropriate that the Administration be a party to the development, revision, and assessment of the policies and procedures.

The Faculty Senate agrees with the Administration that a more agile system of allocating F&A funds is needed. In this spirit, the Faculty Senate Executive Committee proposes:

At the beginning of each fiscal year, faculty from the Council for Research and representatives of the Administration will review procedures and distribution of F&A funds and are charged with:

1. Reviewing the current distribution plan with regard to URI's changing needs and resources;
2. Examining, as desirable, overhead distribution plans at other universities and monitoring best practices;
3. Producing a report including, as appropriate, any recommendations for changes in distribution to be considered for implementation in the subsequent fiscal year.
4. During the process, a draft of the report will be made available to faculty for a minimum 2-week comment period. The Committee will consider these comments in production of a final draft.
5. The final draft will be submitted to the Faculty Senate Executive Committee, the President, Provost, and Vice President of Research and Economic Development for review, discussion, and approval, and then is subject to final approval by the President.

Specific arrangements for any centers can be proposed and implemented. Such arrangements, if approved, will have a defined term after which they will be reviewed and, if appropriate, re-established or renegotiated.

Additionally, all entities receiving F&A funds will need to make a full and accurate accounting of how funds were spent, including all SPA expenditures. This report will be shared, at a minimum, with the RIBGHE and the Faculty Senate.